

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1577 Session of
2007

INTRODUCED BY CALTAGIRONE, CLYMER, DALEY, GEIST, HENNESSEY,
REICHLEY, SANTONI, SEIP, SIPTROTH, SURRA AND THOMAS,
JUNE 20, 2007

REFERRED TO COMMITTEE ON EDUCATION, JUNE 20, 2007

AN ACT

1 Amending the act of July 5, 1947 (P.L.1217, No.498), entitled
2 "An act to promote the education and educational facilities
3 of the people of the Commonwealth of Pennsylvania; creating a
4 State Public School Building Authority as a body corporate
5 and politic with power to construct, improve and operate
6 projects and to lease the same and to fix and collect fees,
7 rentals and charges for the use thereof; authorizing school
8 districts to enter into contracts to lease; authorizing and
9 regulating the issuance of bonds by said Authority; and
10 providing for the payment of such bonds and the rights of the
11 holders thereof; granting the right of eminent domain;
12 increasing the powers and duties of the Department of Public
13 Instruction; and providing that no debt of the Commonwealth
14 shall be incurred in the exercise of any of eminent domain;
15 increasing the powers and duties of the Department of Public
16 Instruction; and providing that no debt of the Commonwealth
17 shall be incurred in the exercise of any of the powers
18 granted under this act; and making an appropriation to said
19 Authority to pay expenses incident to its formation," further
20 providing for purposes and powers of the authority.

21 The General Assembly of the Commonwealth of Pennsylvania
22 hereby enacts as follows:

23 Section 1. Section 4 of the act of July 5, 1947 (P.L.1217,
24 No.498), known as the State Public School Building Authority
25 Act, amended or added April 20, 1949 (P.L.636, No.142), July 18,
26 1967 (P.L.175, No.50), December 17, 1982 (P.L.1372, No.314) and

1 March 23, 1984 (P.L.138, No.26), is amended to read:

2 Section 4. Purposes and General Powers.--The Authority is
3 created for the purpose of acquiring, financing, refinancing,
4 constructing, improving, furnishing, equipping, maintaining and
5 operating buildings for public school and educational
6 broadcasting facilities for use as a part of the public school
7 system of the Commonwealth of Pennsylvania under the
8 jurisdiction of the Department of Education. The Authority also
9 shall have for its purpose the acquiring, financing,
10 refinancing, construction, improvement, furnishing, equipping,
11 maintenance and operation of community college buildings.

12 The Authority is hereby granted and shall have and may
13 exercise all the powers necessary or convenient for the carrying
14 out of the aforesaid purposes, including but without limiting
15 the generality of the foregoing, the following rights and
16 powers:

17 (a) To have perpetual existence as a corporation;

18 (b) To sue and be sued, implead and be impleaded, complain
19 and defend, in all courts;

20 (c) To adopt, use and alter at will a corporate seal;

21 (d) To acquire, purchase, hold, lease as lessee, and use any
22 property real, personal or mixed, tangible or intangible, or any
23 interest therein, (necessary or desirable) for carrying out the
24 purposes of the Authority, and to sell, lease as lessor,
25 transfer and dispose of any property or any interest therein at
26 any time acquired by it;

27 (d.1) To finance projects by making loans to any eligible
28 school district or board of trustees of a community college,
29 which loans may be evidenced by and secured as may be provided
30 in loan agreements, mortgages, security agreements or any other

1 contracts, instruments or agreements, which may contain such
2 provisions as the Authority shall determine necessary or
3 desirable for the security or protection of the Authority or its
4 bondholders. All such provisions shall be a part of the contract
5 with the holders of the bonds of the Authority issued with
6 respect to such project.

7 (e) To acquire by purchase, lease or otherwise, and to
8 construct, improve, maintain, repair and operate projects;

9 (f) To make by-laws for the management and regulations of
10 its affairs;

11 (g) To appoint officers, agents, employes and servants, to
12 prescribe their duties and to fix their compensation;

13 (h) To fix, alter, charge and collect rentals, and other
14 charges in respect of the facilities financed or for the
15 services rendered by the Authority or projects thereof, at
16 reasonable rates to be determined by it for the purpose of
17 providing for the payment of the expenses of the Authority, not
18 provided for by appropriation by the Commonwealth, or otherwise,
19 the acquiring, financing, refinancing, construction,
20 improvement, repair, equipping and furnishing, maintenance and
21 operation of projects and any facilities and properties, the
22 payment of the principal of, and interest on, any obligation,
23 and to fulfill the terms and provisions of any agreements made
24 with the purchasers or holders of any such obligations;

25 (i) To borrow money for the purpose of financing or
26 refinancing the cost of any project, make and issue negotiable
27 notes, bonds, refunding bonds and other evidences of
28 indebtedness or obligations (hereinafter called "bonds"), of the
29 Authority, and to secure the payment of such bonds, or any part
30 thereof, by pledge or deed of trust of all, or any of its

1 revenues, rentals and receipts, and to make such agreements with
2 the purchasers or holders of such bonds, or with others in
3 connection with any such bonds, whether issued or to be issued
4 as the Authority shall deem advisable, and in general to provide
5 for the security for said bonds and the rights of the holders
6 thereof;

7 (j) To make contracts of every name and nature, and to
8 execute all instruments necessary or convenient for the carrying
9 on of its business;

10 (j.1) To enter into contracts with the board of school
11 directors of any school district, the members of which school
12 board are members of any nonprofit community corporation having
13 a Federal Communications Commission license for educational
14 broadcasting stations, for the purpose of acquiring, financing,
15 refinancing, constructing, improving, furnishing, equipping,
16 maintaining and operating these facilities as a part of the
17 public school system of the Commonwealth of Pennsylvania.

18 (k) Without limitation of the foregoing, to borrow money,
19 and accept grants from, and to enter into contracts, leases or
20 other transaction with, any Federal agency;

21 (l) To have the power of eminent domain;

22 (m) To pledge, hypothecate or otherwise encumber, all or any
23 of the revenues or receipts of the Authority as security for
24 all, or any of, the obligations of the Authority;

25 (n) To do all acts and things necessary or convenient to
26 carry out the powers granted to it by this act or any other
27 acts;

28 Provided, however, That the Authority shall have no power, at
29 any time or in any manner, to pledge the credit or taxing power
30 of the Commonwealth or any of its school districts or local

1 sponsors or boards of trustees of community colleges, nor shall
2 any of its obligations or debts be deemed to be obligations of
3 the Commonwealth, or any of its school districts or local
4 sponsors or boards of trustees of any community college, nor
5 shall the Commonwealth or any of its school districts or local
6 sponsors or boards of trustees of any community college be
7 liable for the payment of principal or interest on such
8 obligations;

9 Provided, further, That all contracts between the Authority
10 and school districts shall be conditioned upon the preparation
11 of general plans for centralized design of physical plants, for
12 the orderly development of improved attendance areas[,] and
13 administrative units and for the improved housing of the public
14 schools of the Commonwealth. These plans shall be prepared
15 cooperatively by local, county and State school authorities, in
16 accordance with standards and regulations prescribed by the
17 Department. The Department shall have authority and its duty
18 shall be to review all construction projects to determine:

19 (1) The extent to which they conform to general county and
20 State plans;

21 (2) The amount of improvement to be brought about in
22 attendance areas and administrative units;

23 (3) The adequacy of the proposed building with respect to
24 educational design, location, usefulness for community
25 activities, safety, comfort and convenience;

26 (4) The ability of the local school district or districts to
27 amortize the cost of the project, and to defray the cost of
28 operation and maintenance.

29 No contract shall be executed between the Authority and
30 school districts without the specific written approval of the

1 Department.

2 Provided further, That all contracts between the Authority
3 and local sponsors and/or boards of trustees of community
4 colleges and/or the Department of Public Instruction shall be
5 conditioned upon any approval of the State Board of Education or
6 the Department of Public Instruction required by the act of
7 August 24, 1963 (P.L.1132), known as the "Community College Act
8 of 1963."

9 Section 2. The amendment of the second proviso of section 4
10 of the act shall apply to contracts entered into on or after the
11 effective date of this section.

12 Section 3. This act shall take effect in 60 days.